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DEPARTMENT FOR: EAP/CM, EAP/TC, EAP/MLS, H, AND ISN

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IR, IN

SUBJECT: STAFFDEL MIXTER DISCUSSES DPRK, IRAN,
NONPROLIFERATION COOPERATION, TAIWAN, ETC

Classified By: Deputy Political Section Chief Ben Moeling. Reasons 1.4
(B) and (D).

11. (S) Summary. Visiting House staffers led by House Foreign Affairs Committee (HFAC) majority staffer J. Cobb Mixter discussed security issues with MFA Arms Control Counselor Li Song on February 21. Mixter noted the maturing U.S.-China relationship and said the Six-Party Talks are an example of successful cooperation. He said getting a complete DPRK declaration soon remains critical. Li said the need for more time on current disablement activities and the need for agreement on the composition of an eventual nuclear declaration remain the two primary obstacles toward DPRK denuclearization. He said China "knows nothing" of past DPRK proliferation activities and encouraged the United States to find a "middle way" on the issue. On Iran, Li cautioned the United States not "to make the Iranian nuclear issue an Iran issue" and pointed out current P5 plus 1 diplomatic efforts by China. Mixter and Li also exchanged views on the global nonproliferation regime, current U.S. policy on the 123 agreement with India, Taiwan, the Olympics and Burma. End Summary.

Six-Party Talks: Impediments to a Quick Declaration

13. (C) HFAC staffer Mixter, joined by HFAC staffers David Fite and Don Phan, queried MFA Arms Control Counselor Li Song on the status of the Six-Party Talks now that the December 31, 2007 deadline for a full DPRK nuclear declaration has passed. Mixter said that the Six-Party process to date reflects a maturing U.S.-China relationship. Due to Congressional dynamics and the U.S. Presidential elections, the next few months will prove critical in ensuring success of DPRK denuclearization. This process includes clarity on North Korea's uranium enrichment program. Referring to failures under the Agreed Framework, Fite noted the uncertainty in Congress about North Korea's adherence to its denuclearization commitments once a final agreement is reached.

14. (S) Li said little trust exists between the United States

and the DPRK, which slows momentum in the Six-Party process. The DPRK's need for more time to complete disablement activities and the comprehensiveness of an eventual nuclear declaration remain the two primary obstacles blocking a quick resolution of the DPRK's Second Phase actions. Li agreed that U.S.-China cooperation is furthered by recent success in the Six-Party Talks. The United States and China will continue to remain in close contact on the issue. Referring to the need for greater U.S.-DPRK trust, Mixter inquired about Chinese views of past DPRK proliferation activities, including what the DPRK might be willing to divulge to the Six Parties. Li said Chinese officials made clear to EAP A/S Christopher Hill that "China knows nothing" about North Korea's "so-called" past proliferation activities, including those related to Syria. This situation places China in a difficult position as an interlocutor. Li cautioned that if the United States makes too big an issue of North Korea's past activities, it may "spoil the whole deal." Li suggested that the United States "find a middle way" and instead focus on the lack of current DPRK proliferation activities and obtaining a commitment for no future activities.

Iran: "Don,t Make Iranian Nuclear Issue an Iran Issue"

15. (C) Mixter emphasized that Iran's nuclear program remains an important issue for Congress, yet still serves as a positive example of a growing U.S.-China relationship. Focusing on a narrower approach toward Iran, Li advised the United States not to "make the Iranian nuclear issue an Iran issue." If broader difficulties in U.S. and Western relations with Iran are brought into the process, it will be

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more difficult to maintain common interests among the P5 plus 1 states. Iranians see their nuclear program as a source of national pride. China is now pursuing a more active diplomatic strategy on the issue, such as encouraging the restarting of the Iran-EU negotiations. In the end, bringing Iran back into the Nonproliferation Treaty (NPT) will prove difficult. Mixter pointed out that, for many in Congress, it is impossible to separate the nuclear issue from Iran's terrorism activities.

India 123: What To Do Next?

16. (C) Mixter asked if Chinese views have changed in the previous months as contentious Indian domestic politics continue to block a way forward on the 123 agreement. Li said Chinese views have not changed and pointed out the need for China to maintain a balance between peaceful uses of nuclear energy and proliferation concerns. The critical focus should be the 123 agreement's affect on proliferation concerns. Mixter told Li little immediate change would occur in a new U.S. administration becuse the Hyde Act would remain the basis for aU.S. approach to the agreement. However, Congrssional approval of the deal may prove difficlt if the various IAEA and Nuclear Suppliers Group (NSG) discussions do not finish quickly.

Nonproliferation: Global and Bilateral Issues

17. (C) Mixter inquired about next steps, including training and exchanges, in the U.S.-China nonproliferation dialogue. Mixter raised Congressional legislation calling for a nuclear fuel bank for civil uses of nuclear energy. Such a bank would be housed in a non-nuclear weapons state. Despite the Senate's inaction on the bill, which passed the House, Congress appropriated \$50 million, with a \$50 million matching offer by the Nuclear Threat Initiative, for such a purpose. Li expressed interest in the legislative details of the nuclear fuel bank concept, but said the concept might suffer the fate of many similar initiatives for peaceful uses of global nuclear energy. While nuclear weapons states and

countries "friendly" to the United States may agree on the concept, others such as Iran and the DPRK may have little trust in this type of proposal. However, solving the Iran and DPRK nuclear problems could allow these ideas to gain momentum.

¶18. (C) Turning to bilateral nonproliferation cooperation, Li said China remains open to new U.S. ideas, but "unilateral U.S. sanctions" against Chinese companies frustrate China. The Chinese Government has reprimanded and even stopped some companies' proliferation activities. Still, U.S. sanctions on one company make it difficult for the MFA to coordinate compliance among other companies. This dynamic worsens bilateral nonproliferation cooperation.

Taiwan: Congress Should Avoid Unhelpful Actions

¶19. (C) Li called the current situation in Taiwan "precarious" and said China hopes for "no surprises" before upcoming Taiwanese elections. The United States and Taiwan should avoid tension in the coming weeks. Li said some activities in Congress are not helpful and could be manipulated by "troublemakers" in Taiwan. After Fite said some in Congress find China's military posture along the Straits intimidating, Li responded that China's military arrangements ensure that "no surprises will occur." For China, losing Taiwan would threaten the stability of any mainland Chinese regime. Mixer cautioned that "rhetoric can take on a life of its own." He pointed out that HFAC Chairman Tom Lantos had recently expressed opposition to Taiwan President Chen Shui-Bian's referendum on UN participation under the name of

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Taiwan. The consensus in Congress is to maintain the status quo and support peaceful solutions. Mixer noted that Congress's support for democratic processes in Taiwan does not justify China's perception of Congressional anti-China bias based on support for those processes. Another sign of a maturing yet frank U.S.-China relationship, Congressional support for Taiwanese democracy is not an anti-China stance.

Olympics

¶10. (C) Mixer noted the importance of the Olympics to those in Congress, particularly in relation to Chinese actions on human rights. No one wants China's image to be hurt by hosting the Olympics. Noting China's Olympic commitments on human rights and press freedom, Mixer said Congress would react strongly and pay close attention to any crackdowns on such freedoms leading to the Olympics.

Burma

¶11. (C) Noting the strong interest in Congress, the White House, and the Executive branch on developments in Burma, Mixer inquired about ideas China may have for moving the process forward. An engagement strategy's effectiveness may be dwindling, he said. Li responded that China understands the importance of the issue to the United States. Although different views exist on the role of the UN Security Council, China works hard to gain access for UNHCR representative Gambari and to support his efforts. China will continue to work with the United States and others on the issue.

¶12. (U) Staffer Mixer and delegation cleared this cable.

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